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*****Immediate action needed *****

Dear Marketplace Enrollee,

This is an important notice from the State of Indiana about your current health coverage and your eligibility for the newly expanded Healthy Indiana Plan. Due to changes in the Healthy Indiana Plan (HIP), your health insurance coverage options are changing. You are likely now eligible for health insurance through Indiana's HIP Plus program, but you need to **take immediate action to avoid a potential tax penalty.**

Why change my coverage?

According to the Affordable Care Act, when you become eligible for a health coverage program offered by your state (like HIP), you are no longer eligible for premium tax credits or cost sharing reductions that help make plans purchased on the Health Insurance Marketplace affordable. This means you are no longer eligible for the discounts lowering your monthly premium and out-of-pocket costs. The Health Insurance Marketplace may not terminate your coverage automatically, and you may have to pay back those discounts when you file taxes. To avoid the financial risk at tax filing and continue to get full medical benefits, it is best to see if you qualify for HIP Plus.

The Healthy Indiana Plan "HIP Plus" program provides comprehensive medical coverage including benefits not always offered in your Marketplace plan, such as coverage for vision and dental services. You can receive HIP Plus by simply paying a low monthly contribution of approximately 2 percent of your income. To guarantee that you can access HIP Plus benefits, you need to update your account on the federal Marketplace. **If you are eligible for HIP but continue to receive reduced cost coverage on the federal Marketplace, you will face a tax penalty in 2016.**

What does this mean for me?

If you are currently getting premium tax credits or cost sharing reductions from the federal government to help you pay for coverage on the Health Insurance Marketplace, you may be eligible for benefits through the HIP Plus program starting in February 2015. You may not be eligible to continue to receive the tax credit from the Marketplace, and if you do not take action to disenroll, you could be subject to a tax penalty.

The **HIP Plus** program provides comprehensive benefits for **a low, predictable monthly contribution** paid to your POWER account. A POWER account is a special savings account used to pay for covered health products and services. Monthly contribution amounts are approximately 2 percent of your income and will be similar or less than the monthly payment you make for your current coverage. Besides your monthly contribution, the only other cost you may have for health care in HIP Plus is a payment of \$8 to \$25 if you visit the emergency room when you don't have an emergency health condition. In HIP Plus there will be no payments to make when you visit the doctor, go to the pharmacy, or have a hospital stay.

What do I need to do?

You will need to take the following actions to ensure you are eligible to begin receiving HIP Plus benefits.

To avoid a tax penalty, you must update your Marketplace account after February 1, 2015

- Go to **www.healthcare.gov** and log in to your account or call the Health Insurance Marketplace call center at **1-800-318-2596**.
- Select your existing application, choose "Report a life change" from the menu on the left, and then click on the "Report a life change" button. Review and update your application information, then save and submit - even if there are no changes.
- You must take these actions even if you have already updated your Marketplace account this year if you want to avoid a possible tax penalty.

Once you have completed these steps, you will get a notice from the Marketplace that your information is being sent to Indiana Health Coverage Programs. This means that you are being considered for eligibility for the HIP Plus program. If you do not receive this notice within 2 weeks of updating your information on the Marketplace, it is important to follow up with the Marketplace at the number above to ensure your reapplication for coverage has been received and you are not at risk for a tax penalty.

Complete the HIP eligibility process

- You will not have to file a new application for HIP. However, you may receive requests from the State of Indiana to verify your information or questions about your health status. To ensure your eligibility for HIP Plus can be considered, it is essential that you respond on time to all requests to verify information.
- **If you are eligible for HIP:**
 - You will get information about your eligibility and then may choose a health plan (Anthem, MDWise or MHS) to manage your health care services. If one of these companies is providing your current Marketplace plan, it may also contact you directly about your possible eligibility for HIP Plus.
 - You will receive a bill from your health plan for your monthly POWER account contribution. Paying this bill as soon as possible will guarantee you access to comprehensive coverage, without a gap in coverage.
 - **You will need to contact your current Health Insurance Marketplace plan to cancel your coverage.** Use your HIP coverage start date to choose when to end your Marketplace plan and avoid a gap in coverage.
 - You will not face a tax penalty provided that you cancel your Marketplace coverage prior to beginning HIP.
- **If you are not eligible for HIP:**
 - You will receive a denial notice from HIP and you will keep the health insurance coverage you purchased on the Health Insurance Marketplace. Do not make any changes to your Marketplace plan until you know if you are eligible for HIP or not.
 - You will not face a tax penalty.

If you have questions about changing your coverage, please refer to the frequently asked questions document found on the HIP website at www.hip.in.gov. If you have general questions about the HIP program please call 1-877-GET-HIP-9, for questions regarding your HIP eligibility, contact the state at 1-800-403-0864.

Sincerely,

Joe Moser

Medicaid Director

Indiana Family and Social Services Administration